

Testimony of Hon. Bill Posey (FI-8)
House Ways and Means Committee
Oversight Subcommittee Hearing on the Debt Limit
April 10, 2013

Dear Chairman Boustany and Ranking Member Lewis,

Thank you for the opportunity to testify in support of legislative efforts in Congress to ensure some accountability and common sense at the U.S. Treasury should the statutory debt limit be reached.

The U.S. Treasury receives revenue throughout the year and can—if necessary—cover the most urgent bills that are due, such as the debt, national defense, and Social Security and Medicare payments.

There is no substitute for the House and Senate passing, and the President signing, legislation to fund the federal government and set spending priorities. However, some of the more catastrophic rhetoric and veiled political threats we've seen in Washington crosses the line. At the very least, I and many of my colleagues recognize that we can clarify in statute that the Treasury has the flexibility to prioritize payments. The reality is that the Treasury already has this authority, but unfortunately Washington does not always make the right choice.

In the last Congress, I was proud to introduce two bills, the Senior Citizens Income Security Act (H.R. 1140) and the Social Security Check Guarantee Act (H.R. 2581), that would lift the uncertainty for our seniors getting their Social Security benefits in a debt limit showdown.

Two years might seem like an eternity in Washington, but let's not forget the President made some very troubling comments in July of 2011. As the debt limit approached, the President suggested he "cannot guarantee" that Social Security checks would go out the following month if Congress did not raise the debt limit.

Such scare tactics have no place in this debate. Social Security payments are earned benefits. The Social Security payroll taxes continue to come in to the U.S. Treasury each month, and these funds should be used to pay for these benefits, not siphoned off and used by Washington for some other expense.

Importantly, one of my bills, the Senior Citizens Income Security Act, in addition to protecting Social Security benefits, takes off the table another scare tactic we've seen again and again in Washington: the servicing of our national debt. I don't know of anyone in Congress who wants to see the

United States miss or make a late payment on our debt. Yet, a handful of influential figures in Washington can rattle international markets with just a few words suggesting this could happen. Scaring people about defaulting on the debt is counter-productive to solving our nation's spending problems. I think we can all agree that making payments on the debt is a priority and put that into statute. Let's prevent any future "playing with fire" on the debt, regardless of which party is in control.

I'd also like to recognize the efforts of my colleagues in introducing similar "prioritization" bills. I was pleased to cosponsor Rep. Webster's bill, the Prioritize Spending Act, to direct the Treasury to prioritize payments for national debt servicing, national security, Social Security and Medicare. We also need to make sure paying veterans' benefits is a priority. Additionally, I am pleased to cosponsor Rep. McClintock's bill, the Spending Prioritization Act, which would prevent the Secretary of the Treasury from defaulting on the debt by requiring payments on principal and interest.

I think it is good public policy to identify the most important priorities and ensure that they are not held as bargaining chips during political showdowns or Washington infighting.